

Finance Committee Briefing August, 2015 YTD Results 2016 Budget Update

General Fund

Dayton City Commission Work Session

September 30, 2015





August, 2015 YTD Budget Update

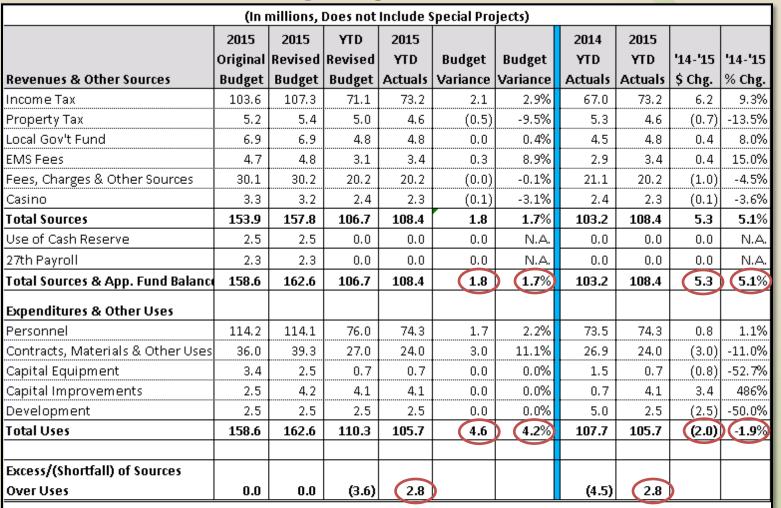
- General Fund Financial Results through August, 2015
 - a) Financial statements now incorporate <u>revised revenue</u> <u>estimates</u> as well as <u>revised expenditure appropriation</u>
 - b) Comparisons to the YTD budget now reflect comparisons to the revised budget amounts
- 2. Update on 2016 Budget Process





General Fund Overview

- 1. Revenues and other sources through August are \$1.8 million over the revised estimate and are \$5.3 M (or 5%) greater than the same period in 2014.
- 2. Expenditures are \$4.6M or 4% under the revised budget.
- 3. Overall, at the end of August, total sources exceeded total uses by \$2.8 million.



Notes:

- 1. Amounts may not sum due to rounding.
- 2. Does not include special projects, which are reported separately.
- 3. 2015 Budget includes adopted budget only and does not include prior year's encumbrances.
- 4. Actuals include exp. against current year appropriation and against prior year's appropriation that carried forward.
- 5. Other Sources includes interest earnings and operating transfers in.
- 6. Other Uses include debt service and miscellaneous operating transfers out.
- 7. EMS is reported on a cash basis.

2015 Year To Date Tracking

| % Change over Prior Year | | | | | | | | |
|-------------------------------|-------|-------|-------|-------|-------|-------|------|-------|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug |
| | YTD | YTD | YTD | YTD | YTD | YTD | YTD | YTD |
| Income Tax | 2.5% | 4.9% | 8.6% | 5.8% | 7.1% | 7.0% | 6.7% | 9.3% |
| Total Revenue & Other Sources | -0.1% | -1.4% | 4.2% | 3.6% | 4.2% | 4.9% | 3.5% | 5.1% |
| Personnel | 0.4% | 0.3% | 0.2% | 0.0% | 0.4% | 0.9% | 4.9% | 1.1% |
| Total Expenditures & Other | | | | | | | | |
| Uses | -3.3% | -3.9% | -3.4% | -1.8% | -3.2% | -3.2% | 1.9% | -1.9% |
| Revenue & Other Sources over | | | | | | | | |
| Exp & Other Uses | (2.4) | (2.8) | 0.4 | (0.2) | 1.4 | 3.6 | 0.8 | 2.8 |

Includes extra Friday income tax collections

Reflects annual filing for income tax which is the largest collection month

| | Sources and Uses by Month | | | | | | | | |
|--------------------------------|---------------------------|------------|------------|----------------|------------|------------|------------|------------|------------|
| | Jan MTD | Feb MTD | Mar MTD | Apr MTD | May MTD | Jun MTD | Jul MTD | Aug MTD | Aug YTD |
| Sources | 13.1 | 12.5 | 14.3 | 16.5 | 12.4 | 13.5 | 13.6 | 12.6 | 108.4 |
| Uses | 15.5 | 12.9 | 11.1 | 17.0 | 10.8 | 11.3 | 16.3 | 10.7 | 105.7 |
| Monthly Excess/ (Shortfall) | 1 (2.4) | (0.4) | 3.2 | 1 (0.5) | 1.6 | 2.1 | (2.7) | 1.9 | 2.8 |

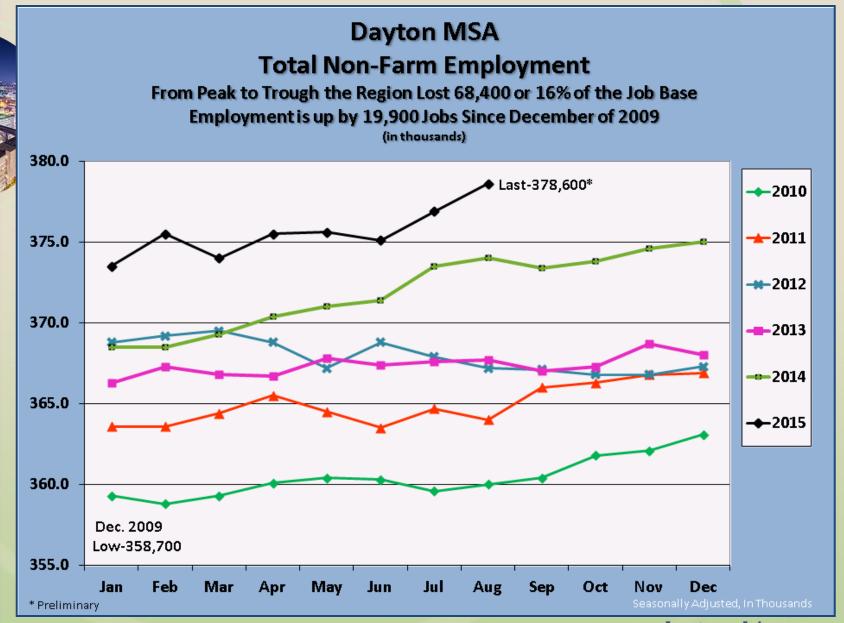
Denotes Month(s) with Three City Payrolls

> Extra PF/BB Pay of \$2.5M and Annual Health Savings Account Expenditure of \$2.6M

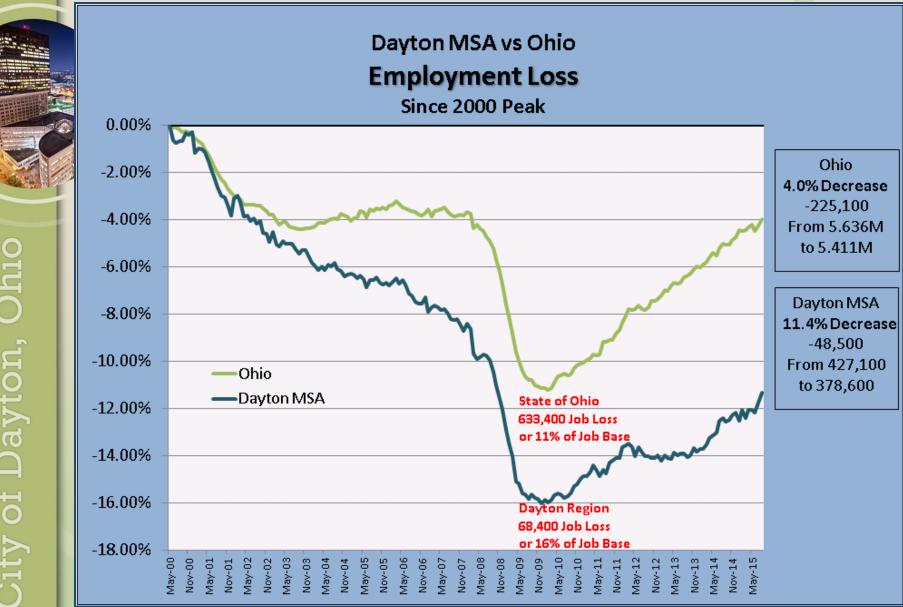
Includes annual Capital (\$2.5 M) and Development (\$2.5 M) transfers



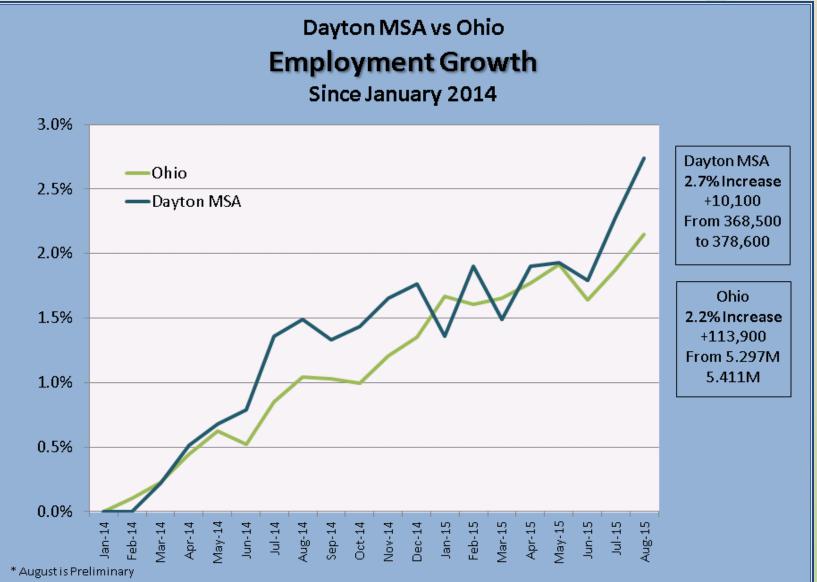
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Note: BLS revised data to incorporate 2014 benchmarks and update seasonal adjustment factors.









- Income tax revenues are 3% (or \$2.1 million) ahead of the revised estimate and are 9% or \$6.2 million greater than last year. The uptick for August is the result of a fifth Friday in July.
 - 1. The revised revenue estimate for income tax reflects an increase of 4% over 2014 (versus the original estimate of 1% growth) and much of the underlying growth through August is the result of an extra payroll in this timeframe.
 - 2. YTD withholding collections are up 6.8% or \$4.0M over last year. When the extra Friday payroll is factored out, the resulting growth is 4% or \$2.5 million for the year.
 - 3. Taxes from business profits are up \$1.2 million, or 19%, of which all are attributable to corporations.
 - 4. YTD growth is attributable, in part, to a higher level of delinquency collections (up \$1.3 million from 2014).
 - 5. Revenues include \$312,700 in JEDD income tax distributions to Dayton's General Fund (for multiple years).



2015 General Fund Revenues

- Property Tax revenues through August are \$500,000 (or 10%) under the YTD estimate, reflecting less advance payments.
- Subsequently in September, we have now received the second half settlement which should complete our collections for 2015. Below is a summary:

| Property Tax (in millions) | 2014 Total | 2015 Total | Pct. Chng. |
|----------------------------|---------------|---------------|---------------|
| Real Estate | \$5.26 | \$4.94 | -6% |
| Public Utility | 0.42 | 0.41 | -2% |
| Total | \$5.67 | \$5.35 | -6% |

2. We originally forecasted an 8% decrease in collections as real estate property values fell as a result of the six-year real property revaluation.





2015 General Fund Revenues

- Local Government Fund (LGF) receipts reflect the YTD estimate. The revenue estimate was revised upward due to the strong growth in State tax revenues despite the State revenue sharing cuts.
 - 1. LGF receipts are being affected by the State's redirection of a large portion of the municipal direct allocation to townships and villages.
 - Estimated annual impact is \$826,000 with impact in 2015 estimated at \$325,000.





- Fees, Charges & Other Sources are at the revised estimate, and are down \$1 million (or 5%) from 2014.
 - 1. The decline from the prior year is due to higher than normal 2014 revenue, resulting from the \$1 million racino host payment received in 2014 (2nd year of two \$1 million dollar payments).
 - 2. It should be noted that our original forecast for public safety traffic enforcement revenues totaled \$350,000. Actual collections through August, 2015 total \$1.7 M which has been incorporated into the revised forecast.
 - 3. We are also seeing declines in revenues related to courts, weed mowing, and waste collection revenues.
 - 4. On a positive note, permit activity is up overall by 24%.
- Casino Taxes total \$2.3 M through August and are 4% (or \$100,000) less than last year.
- Ongoing racino payment (\$500,000) was approved in the State budget but only for a 2 year period.
 We expect this payment by December 31, 2015.

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2015 General Fund Expenditures

- Personnel Costs are under budget by 2% or \$1.7M and are up \$800,000 higher than the first eight months of 2014.
 - Negotiated wage increase of 3% has been implemented for Police, Building Trades,
 D.P.S.U., and PTS employees including retroactive pay. The I.A.F.F. negotiations continue (annual increase was to take effect 6/1/15).
 - 2. The average number of employees in the General and Street Maintenance Funds declined by 24 positions or 2%, from 1,217 to 1,193 (August, 2014 YTD to August, 2015 YTD).



2015 General Fund Expenditures

- Contracts, materials & other uses are under budget by \$3.0 million (or 11%) at the end of August, reflecting an 11% decline in spending compared to the same period last year.
 - 1. There are several timing issues:
 - a) The reimbursement to schools of \$382,000 occurred in January of 2014 (delayed from December, 2013).
 - b) Insurance charges are understated
 - c) Tipping fee payments were delayed
- 2. YTD 2014 activity includes \$350,000 for a transfer to capital to replace street lights that is now part of the Street Lighting assessment.
- 3. Expenditures are trending downward in telephone, maintenance agreements, and natural gas costs.





- 1. Budget development for 2016 continues.
- 2. The Community Service Area matrix is guiding data analysis on City Commission priorities and providing guidance to departments for 2016 performance measures.



| | Economic and Community Development | Justice | Building and Environmental Safety | Infrastructure | Corporate Services | Governance |
|---|---|--|--|---|---|---|
| Policy Objectives: | Foster a viable, sustainable and healthy urban community by providing quality amenities, economic opportunities and affordable housing options | Ensure a just and secure city where individuals, families and organizations can live, work and thrive | Safeguard the city's physical environment through the provision of services that protect people and property | Invest, maintain and improve the city's public assets to promote development, public safety and community value | Support and facilitate the provision of quality City services | Ensure the efficient and effective use of tax payer dollars in providing City Services while fostering a fair and just community |
| Priorities: | 1. Provide Quality Services with Excellent Customer Service 2. Demolish Blighted Properties 3. Create Opportunities for Youth 4. Incent Wealth Creation and Entrepreneurship 5. Welcome and Support Immigrants | 1. Provide Quality Services with Excellent Customer Service 2. Reduce Gun Violence 3. Support Police-Community Relations 4. Create Opportunities for Youth 5. Welcome and Support Immigrants 6. Improve Workforce Diversity | 1. Provide Quality Services with Excellent Customer Service 2. Demolish Blighted Properties 3. Incent Wealth Creation (permitting 4. Prevent Loss Due to Fire 5. Promote Green Initiatives 6. Improve Workforce Diversity | 1. Provide Quality Services with Excellent Customer Service 2. Increase Investment in Roads 3. Optimize figurizational Efficiency through use of Equipment/Technology 4. Je Recognized as Regional Leader for Water Supply, Reclamation and Treatment | 1. Provide Quality Services with Excellent Customer Service 2. Maintain Financial Stability 3. Encourage Employee Wellness 4. Encourage Employee Development 5. Improve Workforce Diversity 6. Ontimize Organizational Efficience | Provide Quality Services with Excellent Customer Service Maintain Financial Stability Ensure Clear Communication and Transparency Maintain Accountability to Public |
| | 6. Foster a City of Learners | 7. Promote MBE/Local Participation | | | s through use of Technology | |
| | 1. Job Creation/Investment in the City 2. Median Household Income 3. Percentage of Vacant Structures 4. Mean Property Value (Sales Data) 5. Third Grade Reading Level 6. Summer Learning Opportunities 7. Immigrant Population & Investment 8. Airport Passenger Enplanements | Crimes Involving Guns Police-Community Interaction Survey Court Diversions Incarceration and Recidivism Police-Youth Engagements | 1. Response Times 2. Permitsussued 3. Fire Damage 3. Percentage of Vacation Stures 5. Recycling Tonage 6. Carbon Footprint 7. Recommended Transphics 8. Exercise Howeing Condition 9. Med. Prog. Transphics 1. Carbon Footprint 9. Med. Prog. Transphics 1. Carbon Footprint 1. Carbon Footpri | 1. Pavement Condition Index 2. Water Quality and Jume 2. Ste Water Effluent Quality 4. Here Weather Response 5. Inv. Pary of Healthy/Disersed Trees | to the Public | Percentage of Voter Turnout Community Interaction City's Bond Rating Accountability and Transparency to the Public Support all Community Outcome |
| Community Service Area Programs (Divisions): | Economic Development (Business Assistance and Development) Zoning Administration Planning Development Fund Convention Center Expo Center Community Development Recreation Golf Aviation Support Services Airport Operations and Facility Aviation Safety Services Airport Development | Patrol Operations (includes size of patrol and detectives) Police Investigations and Administration Prisoner Security Municipal Court Clerk of Courts Mediation Center Law/Prosecutor's Office Human Relations Council (Should HRC be moved to Corp. Serv.?) | Fire Suppose revices (including Fire Flee) Fire Pin ention and Investigation Fire oppression Grgency Medical Assistance Housing Inspection Building Inspection Waste Confection Environmental & Wellfield Protection | Apital Infrastructure Investment Street Maintenance (includes Parks and Forestry) Civil Engineering Public Works Administration Capital Equipment Water Reclamation Water Engineering Water Information Technology Water Supply and Treatment Water Utility Field Operations Water Administration | Finance-Tax and Accounting Utility Revenue Collection Purchasing Information Technology Human Resources Civil Service Fleet Management Facilities Management | City Commission Office City Manager's Office Office of Mgmt & Budget Office of Public Affairs Law/Civil |
| CSA Performanc e Goals and Measures: | Division Performance Goals and Measures | Division Performance Goals and Measures | Division Performance Goals and Measures | Division Performance Goals and Measures | Division Performance Goals and Measures | Division Performance Goals and Measures |



Special Issues

- Mid-year cuts to the Local Government Fund will constrain 2015 and 2016 revenue growth (State redirecting LGF funds from cities to townships and villages).
- 2. Policy budget development continues.
- 3. The Dayton Open Data project will be rolled out at the October Finance Committee Briefing.



Thank you.

Questions?

